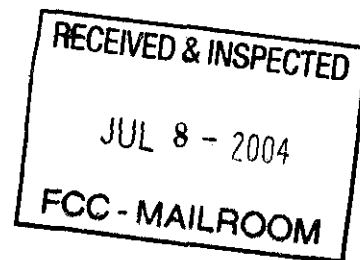




# ALAMEDA POWER & TELECOM

*A Department of the City of Alameda*

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July 7, 2004

Commission's Secretary  
Office of the Secretary  
Federal Communications Commission  
9300 East Hampton Drive  
Capitol Heights, MD 20743

Subject: Comments - MB Docket No. 04-207

Dear Sir or Madam:

Enclosed you will find comments from Alameda Power & Telecom related to MB  
Docket No. 04-207.

Sincerely,

James P. Fleming  
Telecom Operations Manager  
(510) 748-3995

JPF/jf

cc: Ben Golant - Media Bureau, FCC

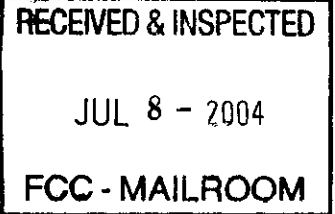
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# ALAMEDA POWER & TELECOM

*A Department of the City of Alameda*



## **MB Docket No. 04-207**

### **COMMENT REQUESTED ON A LA CARTE AND THEMED TIER PROGRAMMING AND PRICING OPTIONS FOR PROGRAMMING DISTRIBUTION ON CABLE TELEVISION AND DIRECT BROADCAST SATELLITE SYSTEMS**

#### **Comments from:**

Alameda Power & Telecom  
A Department of the City of Alameda  
2000 Grand Street  
Alameda, CA 94501  
Contact Name: James P. Fleming  
Telecom Operations Manager  
(510) 748-3995

F.C.C. Community Identification Number: CA 1616

Date: July 7, 2004

#### **Background**

Alameda Power & Telecom (Alameda P&T) is a municipal electric utility and telecommunications provider in Alameda, California. Alameda P&T is a department of the City of Alameda and serves approximately 33,000 electric customers, 7,700 cable TV customers and 3,400 high-speed Internet customers. Alameda resides in the San Francisco/Oakland/San Jose Designated Market Area (DMA).

Telecommunications services were offered to the residents of Alameda by Alameda P&T beginning in July 2001. Alameda P&T is in the process of building an 860 MHz hybrid fiber-coaxial cable broadband system and currently offers 240 channels. Approximately 23,500 of the 32,500 residences and businesses in Alameda are passed by Alameda P&T's telecommunications system. Construction of the system will be completed in 2005.

Comcast and SBC also serve Alameda.

Alameda P&T maintains memberships with the American Cable Association (ACA) and the National Cable Television Cooperative (NCTC).

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**MB Docket No. 04-207**

Submitted by Alameda Power & Telecom

July 7, 2004

**Comments**

Alameda P&T will be commenting on Section III (Retransmission Consent) of MB Docket No. 04-207.

As a municipal cable system over-builder in a competitive market, Alameda P&T is concerned about "tying arrangements" and forced carriage of cable networks encountered in the acquisition of analog and digital retransmission consent agreements. These tying arrangements have a significant impact on small independent cable operators.

Controlling programming costs and meeting increasing customer demand for *a la carte* and high-definition programming is a continuing challenge. The conduct of the media conglomerates related to securing retransmission consent agreements places the small cable operator at a competitive disadvantage and hinders consumer choice.

In the San Francisco/Oakland/San Jose DMA, three of the four "Big Four" network affiliates are directly owned and operated by the network: ABC/KGO, NBC/KNTV and CBS/KPIX. KTVU, the local Fox affiliate, is owned and operated by Cox Communications. As a result, securing retransmission agreements typically requires the forced carriage of new cable networks. The confidentiality of the tying arrangements is not clear-cut and at this juncture we will comment only generally. Some or all of the agreements would be made available if a public records request were made of Alameda P&T.

**Conclusion**

Alameda P&T fully supports the American Cable Association's recommendation to the House Energy and Commerce Committee to direct the Federal Communications Commission to investigate and report on programming costs and practices of the media conglomerates. Forced carriage of certain programming networks through tying arrangements by the media conglomerates in the retransmission consent process will inevitably hold back continued investment by small independent operators and saddle consumers with higher costs and restricted programming choices.

Tying arrangements and forced carriage of cable networks by the media conglomerates are a form of economic coercion and call for much-needed scrutiny by the House Energy and Commerce Committee and the Federal Communications Commission.

Thank you for your consideration.